

# SENATE BILL REPORT

## HB 1543

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As Reported By Senate Committee On:  
Economic Development, Trade & Management, March 20, 2007

**Title:** An act relating to financing economic development officers.

**Brief Description:** Authorizing the use of local retail taxes to finance economic development officers.

**Sponsors:** Representatives Buri, Grant, Dunshee, Ahern, Hailey, Pettigrew, Kretz, Bailey, Linville and Moeller.

**Brief History:** Passed House: 3/07/07, 91-4.

**Committee Activity:** Economic Development, Trade & Management: 3/16/07, 3/20/07 [DPA].

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT

**Majority Report:** Do pass as amended.

Signed by Senators Kastama, Chair; Kilmer, Vice Chair; Zarelli, Ranking Minority Member; Clements, Kauffman and Shin.

**Staff:** Jacob White (786-7448)

**Background:** A rural county may impose a sales and use tax up to 0.08 percent. A rural county must have an average population density of less than 100 residents per square mile or be smaller than 225 square miles. The funds collected under this tax are deducted from the amount of tax that would otherwise be collected by the Department of Revenue. Funds collected through this tax must be used to finance public facilities serving economic development purposes in rural counties.

**Summary of Bill:** Funds collected through the rural county 0.08 percent sales and use tax may be used to finance economic development officers. An economic development officer is defined as a person employed by a county or an associate development organization who promotes economic development purposes within the county.

**EFFECT OF CHANGES MADE BY RECOMMENDED AMENDMENT(S) AS PASSED COMMITTEE (Economic Development, Trade & Management):** The yearly reports to the State Auditor are due within 150 days after the close of each fiscal year. The reports will include information on expenditures made on projects which were begun in prior years. Funds are allowed to go to the economic development office staff, instead of just to the economic development officer. Port districts are eligible to receive the funds collected

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through the rural county 0.08 percent sales and use tax to promote economic development purposes within the county. Port districts are eligible to receive the funds collected through the rural county 0.08 percent sales and use tax to promote economic development purposes within the county.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: A nearly identical bill passed unanimously out of committee before.

**Persons Testifying:** PRO: Julie Murray, Washington State Association of Counties.